

REMARKS

Prior to the outstanding Office Action, claims 1-24 were pending in this application.

The Examiner has provisionally rejected claims 1, 2, 8, 9, 14, 17 and 24 for nonstatutory obviousness-type double patenting as being unpatentable over claims 1, 5, 8, 9, 14, 16, 22, 24, 32, 37-39 and 45 of copending Application No. 10/228,158. In addition, the Examiner has rejected claims 1-24 under 35 U.S.C. §102(e) as being anticipated by Alie et al. (US 2003/0040947).

Claims 1-24 remain pending in this application. Claims 25-28 are new.

Provisional Rejection of Claims 1, 2, 8, 9, 14, 17 and 24 for Double Patenting

The Examiner has provisionally rejected claims 1, 2, 8, 9, 14, 17 and 24 for nonstatutory obviousness-type double patenting as being unpatentable over claims 1, 5, 8, 9, 14, 16, 22, 24, 32, 37-39 and 45 of copending Application No. 10/228,158.

Because the copending Application has not been allowed, applicants decline to address the provisional rejection at this time.

Should the Examiner chose to again assert a double patenting rejection, we urge the Examiner to make the proper showing for a non-statutory double patenting rejection. The Examiner's analysis does not establish a *prima facie* case of obviousness-type double patenting, because it does not follow the procedure required by law to analyze the issue. This is an arcane area of law, so we looked for a good explanation and demonstration of how to perform the required analysis. One illustrative case is attached.

It is unfortunate that the doctrine is called "obviousness-type" double patenting, because the name tends to mislead examiners into following their typical Section 103 type analysis. A crucial difference is that the analysis compares one previously issued claim to one pending claim. MPEP § 804 (II)(B)(1) at 800-21 (Rev. 5 Aug. 2006). Neither references nor claims are combined for comparison to the pending claim: The analysis is one issued claim to one pending claim. Art references have limited use, not to be combined with the reference, but to show what is an obvious variation on or qualitative equivalent to the issued claim. This obvious variation analysis is more like

determining inherency for anticipation or to Section 112(6) analysis of structural equivalents than it is like Section 103 obviousness. The obviousness-type double patenting rejection is a much narrower ground for rejection than section 103 obviousness.

We attach the illustrative case of *Engineered Prods. v. Donaldson Co.*, 225 F.Supp.2d 1069 (N.D. Iowa 2002) *aff'd in part, rev'd in part, vacated in part and remanded*, 147 Fed.Appx 979 (Fed. Cir. Aug. 31, 2005). This case is not controlling precedent, as the Federal Circuit rejected the double patenting defense on different grounds than the District Court and did not authorize publication of its opinion. Nonetheless, the District Court's published opinion is instructive because the judge discussed thoughtfully most of the cases cited in the MPEP plus a few others and followed conscientiously the specified analysis for obviousness-type double patenting. He addressed several issues about which the MPEP is silent.

Where MPEP § 804 requires the Examiner to "make clear ... [t]he differences between the inventions defined by the conflicting claims – a claim in the patent compared to a patent in the claimed invention", the judge in *Engineered Prods.* did this with a side-by-side comparison. *Id.*, 225 F.Supp.2d at 1094-1100.

The judge in *Engineered Prods.* rejected using prior art references (or other patents) in combination with the base claim. *Id.*, at 1120-23. He explained the role of multiple references for obviousness-type double patenting analysis in these words:

the court's consideration of the import of the "prior art" in *In re Longi* "start[ed] by examining the claims of the [earlier] patent, and by assessing the prior art references in order to ascertain whether the PTO made out a prima facie case of obviousness" of the application claims *in light of the earlier patent and the prior art*. *Id.* at 895-96. *Consequently, the "prior art" was considered in the context of obviousness-type double patenting to determine whether it was a sort of bridge or connection between the **claims** of the earlier patent and the **claims** of the application, for one of ordinary skill in the art, to see if it demonstrated that the later application was **only an "obvious variation" of the claims of the earlier patent**. See *Eli Lilly*, 251 F.3d at 969 (obviousness-type double patenting determines whether "[any] difference renders the claims patentably distinct"); *In re Goodman*, 11 F.3d at 1052 (because the claimed inventions were not identical in scope, the court was required to determine, at the second step of the analysis, whether the differences defined only an "obvious variation" or a "patentable distinction"). To put it another way, the prior art was used to determine whether the earlier and later patents "obviously" claimed the same thing. In*

the context of obviousness-type double patenting, the "prior art" was *not* considered as rendering the application claims "obvious" without regard to the earlier patent that purportedly established obviousness-type double patenting. *In re Longi*, 759 F.2d at 895-96 (emphasizing, instead, that "a double patenting rejection presupposes a[n] [earlier] patent"). Moreover, it appears that, in *In re Longi*, what the prior art "taught" was drawn primarily from what was *claimed* in the prior art patents, not just the structures present in embodiments of the invention. *Id.* at 896.

Id., at 1122 (*italics and bold facing* in opinion). The judge found the defendant's analysis lacking for any attempt to demonstrate how the prior art would provide a bridge from the claims of the earlier patent to the later claims, by demonstrating, for a person of ordinary skill in the art, that the later claims are only an "obvious variation" of, or "obviously" claiming essentially the same thing, as the earlier patent. *Id.* at 1123.

The judge struggled with a "composite invention" approach to the claims of the issued patent and pending application. *Id.* at 1113-14. At length, he held that any "patently distinct dependent claim would save from invalidation not only itself, but also the independent claim from which the patently distinct dependent claim depends, even if the independent claim ... is not patentably distinct by itself." *Id.* at 1115.

The Examiner will need to consider whether a one-way or two-way test applies and justify his analysis.

Rejection of Claims 1-24 Under 35 U.S.C. §102(e)

The Examiner has rejected claims 1-24 under 35 U.S.C. §102(e) as being anticipated by Alie et al. (US 2003/0040947).

To understand Alie and the motivations and purposes of the technology disclosed, we turned to the IFW. Remarks in the IFW make it clear that only one narrow scenario is addressed: Identifying a location at which a COD (cash-on-delivery or collect-on-delivery) exchange will take place, facilitated by a combined escrow of both the package and payment. The escrow holder releases both. This is the method flow charted in Alie's FIG. 4. From the Amendment dated August 25, 2006 in reply to the Office Action of February 27, 2006, page 16, we reproduce Alie's summary:

II. Summary of the Claimed Subject Matter

Generally, the present invention relates to delivery systems and methods for facilitating a transaction between a seller and a buyer wherein the seller has agreed to exchange package(s) of goods for a payment from the purchaser. The systems and methods of the claimed invention employ a combined escrow of both the package and payment. The package is escrowed by placing a hold command on the package during shipping that stops the package at an intermediate delivery location so that the package remains in control of the delivery service or other system while awaiting payment into escrow. Release of the package from the intermediate location for final delivery to the purchaser is triggered by payment into escrow, and payment of the seller out of escrow is triggered by final delivery of the package to the purchaser.

Thus, all of the claims conduct, support, or facilitate:

- o Initiating shipping of a package before payment has been made or guaranteed;
- o Putting a hold on further shipment in effect before the package moves beyond an intermediate location;
- o Receiving payment for the package into escrow, and in response, releasing the hold on further shipment;
- o Completing delivery to the purchaser and acquiring proof of delivery;
- o Sending proof of delivery to the holder of the funds in escrow; and
- o Releasing payment of the funds to the seller.

(emphasis added).

In contrast to Alie, summarized above, our application discloses more flexible conditions (e.g., the thirteen INCO terms recognized by the International Chamber of Commerce, ¶ 0035) and we claim an importer's approval to pay, without involving an escrow agent. Consistent with our disclosure, new claims 25-29 introduce the limitations, "wherein the conditions and instructions for payment are selected from a plurality of INCO terms and specifying the conditions and instructions for payment includes choosing from a list of INCO terms". The INCO terms that we list do not include COD, which is the only term that Alie implements. The original claims call for an importer's approval to pay following evaluation by the importer or the importer's agent that the conditions for payment have been fulfilled, modified or waived.

Regarding the independent claims 1, 8, 14, 17 and 24, an escrow agent is required by Alie and there is no provision for an importer's approval to pay. As Alie lacks this element that appears multiple times in the claims, a rejection under § 102 is misplaced.

A rejection under § 103 would be similarly misplaced. Alie does not teach or suggest trusting an importer to approve payment. All of Alie teaches away from trusting the importer (buyer) to approve payment and to use an escrow system. There is no motivation for Alie to worry about facilitating an importer's approval to pay, since the shipping company (e.g., Alie's assignee UPS) is providing an escrow system that is triggered by advice to and from the shipping company. Eliminating the escrow would eliminate all of the advantages that Alie asserts for implementing international COD.

Regarding dependent claims 2, 9 and 18, which call for authorizing participants to view images of documents, the Examiner relies on paragraphs 0025-0026. Paragraph 0025 says nothing about viewing document images. Paragraph 0026 refers to various import and export information in words that imply data entry, rather than viewing document images. There is no disclosure in paragraphs 0025-0026 of authorizing participants to view images of documents involved in the trade. Therefore, rejection under § 102 should be withdrawn.

Regarding dependent claims 3, 10 and 19, which call for exchange of draft conditions, the Examiner relies on much of the publication, without singling out any particular passage. Cited are FIGS. 1-4 and paragraphs 0009-0013, 0024-0034 and 0041-0044. In fact, paragraph 0006 is the only passage that refers to a draft purchase agreement, in a context similar to the claimed exchange of draft conditions. But paragraph 0006 is not part of Alie's disclosure; it is part of that applicant's description of problems faced by earlier approaches to international trade. Therefore, rejection under § 102 should be withdrawn.

Regarding dependent claims 4 and 20, regarding transmitting agreed conditions and instructions for payment to the importer's bank, the role that Alie specifies for the importer's (purchaser's) bank is making a payment into escrow. *See, e.g.,* FIG. 4, ref 107. The cited paragraphs 0009-0010 and 0030-0031 do not teach transmitting agreed conditions and instructions to the IMPORTER'S BANK. Instead, paragraphs 0030-0031 encourage the buyer and seller to have accounts at the bank handling the

money escrow, the "I-COD bank." Alie does not teach or suggest that the escrow bank should be the importer's bank. Even then, instructions to transfer money are sent to the I-COD bank, not "agreed conditions and instructions for payment". Therefore, rejection under § 102 should be withdrawn.

The bank in dependent claim 5 that executes the payment to the exporter is the importer's. In Alie, the I-COD bank executes the payment, and not on an approval to pay by the importer, but on instructions from the shipper who Alie has unequivocally described as holding the package in escrow. Therefore, rejection under § 102 should be withdrawn.

Regarding dependent claims 6, 12, 15 and 22, these claims call for exposing to view conditions and instructions for payment, the documentation of fulfillment and the approval of fulfillment or the abatement or waiver of the conditions for payment. The Examiner refers to tracking system 45, information system website 13 and shipment order system 38, using reference numbers from Alie's figures. The web site is the place that Alie would expose information to view. Paragraphs 0032-0035 include Alie's description of capabilities of this web site:

[0032] In general, the information system **13** is a system, or a collection of systems, capable of transmitting and receiving information and commands from the other systems of the delivery system **10**. Preferably, the information system **13** includes an electronic system such as an Internet site, or web site, that is easily accessible to the parties of the transaction and the various systems. Preferably, the information system also includes an e-mail system, a file transfer protocol system, a direct electronic network connection, or other electronic communication system, that allows it to communicate commands, instructions and other information efficiently with the other systems and the parties to the transaction.

Interaction between the shipment ordering system (e.g., a package pickup and label generating system) and the web site is described in 0035-0040. However, Alie's

notification systems do not include all of the claimed elements, since there is no place in Alie's scheme for the importer to approve, abate or waive fulfillment of conditions for payment. Therefore, rejection under § 102 should be withdrawn.

Regarding dependent claims 7, 13, 16, 23, these claims describe how a system implements a workflow by exposing role-oriented status of responsibilities to carry out a series of listed next steps. The Examiner relies on the same plethora of paragraphs as before. None of the paragraphs cited or any of Alie describe any workflow status. Therefore, rejection under § 102 should be withdrawn.

Regarding dependent claims 11 and 21, these claims call for the importer's bank to generate status updates. The importer's bank does not have the role in Alie that it has in the claims of this application. The importer's bank in Alie does not generate the claimed status updates. Therefore, rejection under § 102 should be withdrawn.

CONCLUSION

Applicants respectfully submit that the pending claims are now in condition for allowance and thereby solicit acceptance of the claims as now stated.

Applicants would welcome an interview, if the Examiner is so inclined. The undersigned can ordinarily be reached at his office at (650) 712-0340 from 8:30 a.m. to 5:30 p.m. PST, Monday through Friday, and can be reached at his cell phone at (415) 902-6112 most other times.

Fee Authorization. The Commissioner is hereby authorized to charge any additional fee(s) that may be required with this communication, or credit any overpayment, to Deposit Account No. 50-0869 (TRDB 1006-1).

Respectfully submitted,

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